

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

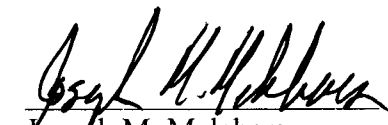
Docket No. 2013-201-WS

In the Matter of Application of)	
)	
Utilities Services of South Carolina, Inc.)	PREHEARING ARBITRATION
for Adjustment of Rates and Charges and)	REPORT
Modifications to Certain Terms and)	
Conditions for the Provision of Water)	
and Sewer Service)	

At the request of the parties in the above captioned case, a prehearing arbitration of certain accounting issues was convened by Joseph M. Melchers, General Counsel to the Public Service Commission ("the Commission") on October 29, 2013. Other members of the Commission's staff were present to advise the Arbitrator. Charles L.A. Terreni and Scott Elliott appeared on behalf of Utilities Services of South Carolina, Inc. ("USSC" or "Applicant") and Jeffrey M. Nelson and Florence P. Belser appeared on behalf of the Office of Regulatory Staff ("ORS"). Representatives of the Company and the ORS were also in attendance. The prehearing arbitration reconvened on October 30, 2013, and the parties informed the Arbitrator that they had reached a settlement of the submitted accounting issues as well as all other contested issues in the case. The parties requested that the Arbitrator review and consider for his approval the parties' settlement of the Accounting issues contained within the comprehensive Settlement Agreement, which is attached to this Report as Exhibit 1. The Arbitrator granted the parties' request, and hereby approves and adopts as his finding in this matter the terms of the parties' settlement of the accounting issues contained in the comprehensive Settlement Agreement.

Respectfully submitted,

Date:
11/5/2013


 Joseph M. Melchers
 Prehearing Arbitrator

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2013-201-WS
October 31, 2013

IN RE:	Application of Utilities Services of South Carolina, Inc. For Adjustment of Rates and Charges and Modifications of Certain Terms and Conditions for the Provision of Water and Sewer Service))))))	SETTLEMENT AGREEMENT
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This Settlement Agreement is made by and between Utilities Services of South Carolina, Inc. (“USSC” or the “Company”) and the South Carolina Office of Regulatory Staff (“ORS”), whom may collectively be referred to as the “Parties” or sometimes individually as a “Party”.

WHEREAS, on June 28, 2013, USSC filed an Application for the Adjustment of Rates and Charges (the “Application”) requesting that the Commission approve the revised rates, charges, conditions, and terms of service in certain areas of Abbeville, Anderson, Lexington, Richland, Saluda, Sumter, and York Counties;

WHEREAS, the above-captioned proceeding has been established by the Public Service Commission of South Carolina (the “Commission”) pursuant to the procedure established in S.C. Code Ann. § 58-5-240 (Supp. 2012) and 10 S.C. Code Ann. Regs. 103-512.4.B and 103-712.4.B;

WHEREAS, the Company provides sewer service to approximately 354 residential and commercial sewer customers and water supply/distribution service to approximately 6,361 residential and commercial water customers;

WHEREAS, ORS has examined the books and records of the Company relative to the issues raised in the Application and has conducted financial, business, and site inspections of USSC and its wastewater collection and treatment facilities; and

WHEREAS, the Parties have engaged in discussions to determine whether a settlement in this proceeding would be in the best interests of the Company and in the public interest;

NOW, THEREFORE, the Parties hereby stipulate and agree to the following terms, which, if adopted by the Arbitrator in his Report and the Commission in its Order addressing the merits of this proceeding, will result in rates and charges for sewer and water service which are adequate, just, reasonable, nondiscriminatory, and supported by the evidence of record of this proceeding, and which will allow the Company the opportunity to earn a reasonable operating margin.

1. The Parties stipulate and agree to the rate schedule attached hereto and incorporated herein by reference as Settlement Agreement Exhibit 1. As reflected therein, the Parties have agreed to a flat rate of \$53.55 per month for residential sewer service, a minimum flat rate of \$53.55 per month for each single-family equivalent (“SFE”) for commercial service, and a flat rate of \$34.44 per month for each SFE for sewer collection only service for both residential and commercial customers. The Parties further agree that there shall be an increase in rates for water service and that the Company will charge its residential water customers a base facility charge of \$19.75 per month, and a commodity charge of \$7.02 per 1,000 gallons for customers being served with water from a well source and \$3.75 per 1,000 gallons for distribution only customers. Commercial customers with a 1” meter or greater will be charged a higher base facility charge for water service.

2. The Parties agree that the above stated rates are fair, just, and reasonable to customers of the Company's system while also providing the opportunity to earn a fair operating margin at an agreed upon 9.23% Return on Equity Rate which produces additional revenue of \$841,000. The Parties stipulate that the resultant operating margin is 12.48%.

3. USSC agrees to maintain its books and records in accordance with the National Association of Regulatory Utility Commissioners Uniform System of Accounts as required by the Commission's rules and regulations. USSC further agrees to consult with the ORS regarding the manner in which it records its operating expenses, its assets and their disposition including retirements. USSC further agrees to consult with ORS regarding the manner in which it identifies invoices to be used for ratemaking purposes.

4. The Company agrees to file all necessary documents, bonds, reports and other instruments as required by applicable South Carolina statutes and regulations for the operation of a water and sewer system.

5. The Company agrees that this system is a "public utility" subject to the jurisdiction of the Commission as provided in S.C. Code Ann. § 58-5-10(4) (Supp. 2012). The Company agrees to maintain its current Irrevocable Letter of Credit ("ILC") in amount of Three Hundred Fifty Thousand Dollars (\$350,000) for water service and to increase the amount of its ILC from the current One Hundred Fifty Thousand Dollars (\$150,000) to Two Hundred and Twenty Thousand Dollars (\$220,000) for wastewater operations to satisfy the requirements of S.C. Code Ann. §58-5-720 (Supp. 2012).

6. The Company agrees to maintain the current provision in its tariff which caps the amount of non-account water which USSC is allowed to pass-through to its customers who are supplied water through a third party bulk provider at ten percent. USSC will continue to provide

notice to the Commission and USSC customers of any increase in bulk water charges prior to billing its customers for such increase. The Company further agrees to obtain Commission approval of the bulk water supply contracts which it has entered for Towncreek Acres, Indian Cove, Charleswood, and Farrowood subdivisions.

7. The Parties agree that the Company should be permitted to amend its tariff to provide for the collection of disconnection charges in certain circumstances and for the recovery of the Company's actual costs, up to a maximum of \$250, for costs incurred to repair water or sewer facilities damaged due to tampering.

8. The Company agrees to provide the additional terms and conditions to its tariff to be filed with the Commission:

A. Late Payment Charges

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half percent (1½%) for each month, or any part of a month, that said payment is late.

B. Electronic Billing and Electronic Payment

If requested by the customer in writing and within the capabilities of the utility, the Utility may provide an electronic bill to the customer on the Utility's website, in lieu of mailing a paper copy. The electronic bill shall contain the same content and be presented in the same or a similar format as a bill delivered to the customer pursuant to Commission Rule R. 103-532.1 (and 103-732.2) as may be amended from time to time. Late payment charges will not be triggered until twenty-five (25) days after the Utility issues the electronic bill and it leaves the control of the Utility or its billing agent. The Utility must provide notice to the customer that the bill form is available for review within twenty four hours of its issuance and the web address of its location.

C. Construction Standards

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed.

9. The Leak Mitigation Program presented in the Company's Application is removed from consideration in this case.

10. The Parties agree to cooperate in good faith with one another in recommending to the Arbitrator and the Commission that this Settlement Agreement be accepted and approved by the Commission as a fair, reasonable and full resolution of the above-captioned proceeding. The Parties agree to use reasonable efforts to defend and support any Commission Order issued approving this Settlement Agreement and the terms and conditions contained herein.

11. The Parties agree to stipulate into the record the pre-filed direct testimonies and exhibits of Steven Lubertozi, Karen Sasic, Patrick Flynn, Dylan D'Ascendis, and Pauline Ahern on behalf of USSC, as well as the pre-filed direct testimony and Audit Exhibits ICG-1 through ICG-8 of ORS witness Ivana C. Gearheart, the pre-filed direct testimony and Exhibits WJM-1 through WJM-6 of ORS witness Willie J. Morgan, and the direct testimony and Exhibits DHC-1 through DHC-14 of ORS witness Douglas H. Carlisle in support of this Settlement Agreement.

12. ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code Ann. § 58-4-10(B) (Supp. 2012). S.C. Code § 58-4-10(B)(1) through (3) reads in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the agreement reached between the Parties serves the public interest as defined above. The terms of this Settlement Agreement balance the concerns of the using public

while preserving the financial integrity of the Company. ORS also believes the Settlement Agreement promotes economic development within the State of South Carolina. The Parties stipulate and agree to these findings.

13. The Parties agree that by signing this Settlement Agreement, it will not constrain, inhibit or impair in any way their arguments or positions they may choose to make in future Commission proceedings. If the Commission should decline to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement without penalty.

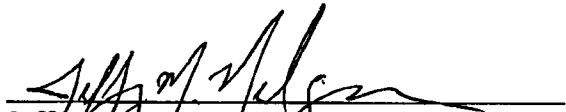
14. This Settlement Agreement shall be interpreted according to South Carolina law.

15. Each Party acknowledges its consent and agreement to this Settlement Agreement by authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of this Settlement Agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement.

16. The Parties represent that the terms of this Settlement Agreement are based upon full and accurate information known as of the date this Settlement Agreement is executed. If, after execution, either Party is made aware of information that conflicts, nullifies, or is otherwise materially different than that information upon which this Settlement Agreement is based, either Party may withdraw from the Settlement Agreement with written notice to the other Party.

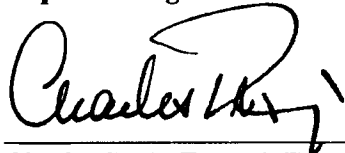
[PARTY SIGNATURES TO FOLLOW ON SEPARATE PAGES]

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SCHEDULE OF PROPOSED RATES AND CHARGES

WATER

1. Monthly Charges

Residential (less than 1" meter)

Monthly charge per single-family house,
Condominium, mobile home, or apartment unit:

	<u>Current</u>	<u>USSC Proposed</u>	<u>Settlement</u>
Base Facilities Charge	\$16.53 per unit	\$24.24 per unit	\$19.75 per unit
Commodity Charge	\$5.40 per 1,000 gallons or 134 cft.	\$7.91 per 1,000 gallons or 134 cft.	\$7.02 per 1,000 gallons or 134 cft.

Commercial/Residential (for 1" meter or greater)

Base Facilities Charge by meter size

1" meter	\$44.00 per unit	\$64.52 per unit	\$55.02 per unit
1.5" meter	\$80.00 per unit	\$117.31 per unit	\$101.10 per unit
2" meter	\$130.00 per unit	\$190.63 per unit	\$162.00 per unit
3" meter	\$275.00 per unit	\$403.26 per unit	\$345.02 per unit
4" meter	\$403.02 per unit	\$590.99 per unit	\$504.50 per unit
Commodity Charge	\$5.40 per 1,000 gallons or 134 cft.	\$7.91 per 1,000 gallons or 134 cft.	\$7.02 per 1,000 gallons or 134 cft.

Charge for Water Distribution Only

Where water is purchased from a governmental body or agency or other entity for distribution and resale by the Company, the following rates apply:

Monthly charge per single-family house,
Condominium, mobile home, or apartment unit:

	<u>Current</u>	<u>USSC Proposed</u>	<u>Settlement</u>
Base Facilities Charge	\$16.53 per unit	\$24.24 per unit	\$19.75 per unit
Commodity Charge	\$2.91 per 1,000 gallons or 134 cft.	\$4.26 per 1,000 gallons or 134 cft.	\$3.75 per 1,000 gallons or 134 cft.

Commercial/Residential (for 1" meter or greater)

Base Facilities Charge by meter size

1" meter	\$44.00 per unit	\$64.52 per unit	\$55.02 per unit
1.5" meter	\$80.00 per unit	\$117.31 per unit	\$101.10 per unit
2" meter	\$130.00 per unit	\$190.63 per unit	\$162.00 per unit
3" meter	\$275.00 per unit	\$403.26 per unit	\$345.02 per unit
4" meter	\$403.02 per unit	\$590.99 per unit	\$504.50 per unit

Commodity Charge	\$2.91 per 1,000 gallons or 134 cft.	\$4.26 per 1,000 gallons or 134 cft.	\$3.75 per 1,000 gallons or 134 cft.
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The utility will also charge for the cost of water purchased from the bulk water provider. The charges imposed by the bulk water provider will be charged to the Utility's affected customers on a pro rata basis without markup. Where the utility is required by regulatory authority with jurisdiction over the utility to interconnect to the water supply system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will also be charged to the utility's affected customers on a pro rata basis, without markup. The utility shall give the Commission thirty days' notice of its intent to pass-through to customers purchased water charges with are higher than those in effect at the time of the Commission's approval of the within rate schedule. The utility shall provide with such notice written documentation of an increase in the amount of purchased water justifying the increase in the amount of the purchased water charges sought to be passed through to affected customers. In the event that an increase in the amount of purchased water charges to be passed through to customers is found by the Commission to be so justified, USSC will then be required to give customers an additional thirty days' notice before the increase in the purchased water charges to be passed through may be put into effect.

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

When it is impractical to meter each unit separately because of the method of water line installation utilized by the developer or owner, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

For the convenience of the owner, the Utility will bill a tenant in a multi-unit building, consisting of four or more residential units, which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

2. Non-Recurring Charges

A) Tap Fees	\$500.00 per SFE*
B) Water meter – 5/8 inches x 3/4 meter	\$35.00

All 5/8 inch x 3/4 inch water meters shall meet the Utility's standards and shall be installed by the Utility. A one-time meter fee of \$35 shall be due upon installation for those locations where no 5/8 inch x 3/4 inch meter has been provided by a developer to the Utility.

For the installation of all other meters, the customer shall be billed for the Utility's **actual cost** of installation. All such meters shall meet the Utility's standards and be installed by the Utility unless the Utility directs otherwise.

3. Account Set-Up and Disconnection Charges

a. Customer Account Charge – for new customers only

<u>Current</u>	<u>USSC Proposed</u>	<u>Settlement</u>
\$25.00	\$30.00	\$30.00

b. Disconnection Charges: In addition to any other charges that may be due, in those cases where a customer's service has been disconnected for any reason as set forth in Commission Rule R.103-732.5, and the customer has been found to have vacated his premises or the customer has shown his intent to vacate his premises and the imposition of a reconnection charge is not feasible, a disconnection fee shall be due in the amount of forty dollars (\$40.00) and shall be due prior to the Utility reconnecting service.

c. Tampering Charge: In the event the Utility's equipment, water mains, water lines, meters, curb stops, service lines, valves or other facilities have been damaged or tampered with by a customer, the Utility may charge the customer responsible for the damage the actual cost of repairing the Utility's equipment, not to exceed \$250. The tampering charge shall be paid in full prior to the Utility re-establishing service or continuing the provision of service.

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Late Payment Charges

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half percent (1 1/2%) for each month, or any part of month, that said payment is late.

6. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service unless water supply is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has for any reason restricted the Utility from adding additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding water supply capacity to the affected water system.

7. Cross-Connection Inspection

Any customer installing, permitting to be installed, or maintain any cross connection between the Utility's water system and any other non-public water system, sewer or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2, as may be amended from time to time. Such a customer shall annually have such cross connection inspected by a licensed certified tester and provide to Utility a copy of a written inspection report and testing results submitted by the certified tester in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.8, as may be amended from time to time. Said report and results must be provided by the customer to the Utility within 30 days of inspection. If a customer fails to comply with the requirement to perform annual inspections, the Utility may disconnect water service after 30 days' written notice. The Utility shall provide affected customers with an advanced annual notification of such certification requirement.

8. Electronic Billing and Electronic Payment

If requested by the customer in writing and within the capabilities of the utility, the Utility may provide an electronic bill to the customer on the Utility's website, in lieu of mailing a paper copy. The electronic bill shall contain the same content and be presented in the same or a similar format as a bill delivered to the customer pursuant to Commission Rule R. 103-732.2 as may be amended from time to time. Late payment charges will not be triggered until twenty-five (25) days after the Utility issues the electronic bill and it leaves the control of the Utility or its billing agent. The Utility must provide notice to the customer that the bill form is available for review within twenty four hours of its issuance and the web address of its location.

*A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities 25 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee. For water service to customers not described in R. 61-67, such as irrigation service, the tap fees shall be the same as those for one (1) SFE.

SCHEDULE OF PROPOSED RATES AND CHARGES

SEWER

1. Monthly Charges

	<u>Current</u>	<u>USSC Proposed</u>	<u>Settlement</u>
<u>Residential</u>			
Monthly charge per single-family house, Condominium, condominium, villa or apartment unit:	\$41.39 per unit	\$65.31 per unit	\$53.55 per unit
Mobile Homes – monthly charge	\$29.74 per unit	\$65.31 per unit	\$53.55 per unit

Commercial

Monthly charge per single family equivalent*
\$41.39

\$65.31 \$53.55

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

<u>Wikoff Plant</u>	Not applicable	\$547.09	\$856.80
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Charge for Sewage Collection Service Only

When sewage is collected by the Utility and transferred to a government body or agency, or other entity for treatment, the Utility's rates are as follows:

Residential

Monthly charge per single-family house, Condominium, condominium, villa or apartment unit:	\$26.64 per unit	\$42.04 per unit	\$34.44 per unit
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Commercial

Monthly charge per single family equivalent*	\$26.64 per unit	\$42.04 per unit	\$34.44 per unit
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The Utility will also charge for treatment services provided by the government body or agency or other entity. The rates imposed or charged by the government body or agency or other entity providing treatment will be charged to the Utility's affected customers on a pro rata basis, without markup. Where the Utility is required under the terms of the 201/208 Plan, or by other regulatory authority with jurisdiction over the Utility, to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are

imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup. The utility shall give the Commission thirty days' notice of its intent to pass-through to customers treatment charges which are higher than those in effect at the time of the Commission's approval of the within rate schedule. The utility shall provide with such notice written documentation of an increase by the provider of treatment services justifying the increase in the amount of the treatment charges sought to be passed through to affected customers. In the event that an increase in the amount of treatment charges to be passed through to customers is found by the Commission to be so justified, USSC will then be required to give customers an additional thirty days' notice before the increase in the treatment charges to be passed through may be put into effect.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units, which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

Solids Interceptor Tanks

For all customers receiving sewage collection service through an approved solids interceptor tank, the following additional charges shall apply:

A. Pumping Charge

At such time as the Utility determines through its inspection that excessive solids have accumulated at the interceptor tank, the Utility will arrange for pumping the tank, and will include \$150.00 as a separate item in the next regular billing to the customer.

B. Pump Repair or Replacement Charge

If a separate pump is required to transport the customer's sewage from solids interceptor tank to the Utility's sewage collection system, the Utility will arrange to have this pump repaired or replaced as required and will include the cost of such repair or replacement as a separate item in the next regular billing to the customer and may be paid for over a one-year period.

C. Visual Inspection Port

In order for a customer who uses a solids interceptor tank to receive sewage service from the Utility or to continue to receive such service, the customer shall install at the customer's expense a visual inspection port which will allow for observation of the contents of the solids interceptor tank and extraction of test samples therefrom. Failure to provide such visual inspection port after timely notice of not less than thirty (30) days shall be just cause for interruption of service until a visual inspection port has been installed.

2. Non-recurring Charges

A) Tap Fee

\$500 per SFE*

The non-recurring charges listed above are minimum charges and apply even if the equivalency rating of a non-residential customer is less than one (1). If the equivalency rating of a non-residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3. Notification, Account Set-Up and Disconnection Charges

- a. Notification fee: A fee of fifteen dollars (\$15.00) shall be charged to each customer per notice to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.
- b. Customer Account Charge: A fee of thirty dollars (\$30.00) shall be charged as a one-time fee to defray the costs of initiating service. This charge will be waived if the customer is also a water customer.
- c. Disconnection Charges: In addition to any other charges that may be due, in those cases where a customer's service has been disconnected for any reason as set forth in Commission Rule R. 103-532.4, the customer is found to have vacated his premises or the customer has shown his intent to vacate his premises and the imposition of a reconnection charge is not feasible, a disconnection fee in the amount of \$500.00 shall be due at the time the customer disconnects service. Where an elder valve has been previously installed, a disconnection fee of forty dollars (\$40.00) shall be charged.
- d. Tampering Charge: In the event the Utility's equipment, sewage pipes, meters, curb stops, service lines, elder valves or other facilities have been damaged or tampered with by a customer, the Utility may charge the customer responsible for the damage the actual cost of repairing the Utility's equipment, not to exceed \$250. The tampering charge shall be paid in full prior to the Utility re-establishing service or continuing the provision of service.

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Non-recurring charges will be billed and collected in advance of service being provided.

5. Late Payment Charges

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half percent (1½%) for each month, or any part of a month, that said payment is late.

6. Electronic Billing and Electronic Payment

If requested by the customer in writing and within the capabilities of the utility, the Utility may provide an electronic bill to the customer on the Utility's website, in lieu of mailing a paper copy. The electronic bill shall contain the same content and be presented in the same or a similar format as a bill delivered to the customer pursuant to Commission Rule R. 103-532.1 as may be amended from time to time. Late payment charges will not be triggered until twenty-five (25) days after the Utility issues the electronic bill and it leaves the control of the Utility or its billing agent. The Utility must provide notice to the customer that the bill form is available for review within twenty four hours of its issuance and the web address of its location.

7. Toxic and Pretreatment Effluent Guidelines

The utility will not accept or treat any substance or material that has not been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Health and Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

8. Construction Standards

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed.

9. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its sewer system. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service unless sewer capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has for any reason restricted the Utility from adding additional customers to the serving sewer system. In no event will the Utility be required to construct additional sewer treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

*A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities 25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2006), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.